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TS#142335

CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

15 June 1961

DRAFT

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Communist Intentions in Southeast Asia

SUMMARY

A. Since December 1960, coincident with Soviet logistic support of the Communist effort in Laos, there has been an increase in Chinese Communist support of this effort and in the Chinese presence in the Laos war. However, we find no evidence -- from any source -- which indicates that the Chinese intend overtly to invade Laos or Southeast Asia in the near future.

This memorandum has been produced with the assistance of representatives of O/CI, O/RR, and FBIS.

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B. We find no evidence -- from any source -- which indicates a North Vietnamese (DRV) buildup for major military action against Laos or South Vietnam in the near future. We believe that the DRV will continue to be the executive agent of Bloc policy in this area, and that the DRV will continue essentially its present tactics in Laos and South Vietnam for the near future at least.

C. Chinese Communist interests are more directly involved in Laos than are those of the USSR, and the Chinese leaders almost certainly are urging an extremely tough Laos course on Moscow. Nevertheless, we believe that the USSR, not China, is the principal director of Bloc policy in Laos, ^{and} that Bloc policy concerning Laos is fairly well coordinated.

D. The Communists probably believe that at Geneva they can successfully refuse to settle for anything less than an arrangement which would pave the way for a relatively rapid Communist take-over of Laos from within by political means. Meanwhile, as the Free World resists this kind of settlement and negotiations drag on at Geneva, the Communists are improving

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their military and political position in Laos by continued military-subversive encroachment.

E. They will probably not agree to a Geneva settlement until they are confident that it and the resulting "neutral" government of Laos (presumably headed by Souvanna Phouma) are so constructed that Communist control of Laos will result within a relatively short period of time. If a Souvanna government is installed, the Communists will probably not respect a neutral Laos, but will employ every means short of military force to subvert it.

F. The introduction of US forces to hold the key Mekong towns would be met by a strong Communist political response, world-wide. The DRV would intensify its military activities in Laos, but would probably stop short of frontal combat with US forces. We cannot rule out the possibility that the Chinese might intervene militarily on a large scale in Laos, but we consider it more likely that they might do so only in the event that US actions, subsequent to occupation of the Mekong towns, appeared to threaten a serious reduction of the Communist position in Laos.

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DISCUSSION

A. Communist China and Laos

1. (Paragraphs 1 - 5 to be paragraphs 2 - 6, verbatim, of the Revised Draft of 14 June.)

B. The DRV and Laos

6. In addition to clandestinely committing cadres, specialists, and certain military units to the war in Laos, the DRV appears to have been engaged in certain construction and transportation programs which will in time greatly increase its already considerable capabilities overtly to invade Laos or South Vietnam. However, this gradual build-up antedates the 1960-1961 hostilities in Laos, and appears to us to be a normal development of logistic, defensive, and offensive capabilities. We see no evidence which indicates an imminent DRV invasion of Laos or South Vietnam, or a complete shift to major military action in these countries. In present circumstances, and especially in view of the progress of present DRV tactics in Laos and South Vietnam, we consider such a shift unlikely.

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C. The Communists and Geneva

7. Chinese Communist interests are more directly involved in Laos than are those of the USSR. The Chinese have appeared to take an even more obdurate line on Laos, at Geneva and elsewhere, than has the USSR. However, the assertive Chinese position in the Sino-Soviet dispute is probably largely met by the militant actions -- and the success -- that have characterized the Communist course in Laos in recent months, and we see no evidence that there are presently sufficient differences between Peiping and Moscow to reduce their unity and effectiveness on Laos policy. We believe that although Peiping has considerable influence in the determination Bloc policy in Laos, Moscow is the principal director of that course, the DRV is the principal executive agent of that policy, and China is a source of logistic and political support.

8. The Communists almost certainly believe that they are in an ideal position at Geneva. They apparently believe that they can be firm in their demands at the conference table because their preponderance of strength in the field grows daily. Thus they believe that they can insist on a settlement at Geneva which

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will pave the way for a rapid take-over of Laos by political means. Every day that the Free World resists such a settlement at Geneva, the position of the Communist and pro-Communist forces in Laos is strengthened with more arms, aid, and consolidation of control. They are probably confident that if they cannot get what they want at the conference table they can seize control of Laos by military means before the Free World could launch a significant military counteraction, and thus present the world with the fait accompli of a firmly entrenched pro-Communist regime in Laos.

9. The Communists are probably willing to accept a settlement involving a Souvanna Phouma government for Laos, but they probably would do so only if they were confident that it was so constituted as to pave the way for Communist control of Laos in the near future. Such a government might superficially appear balanced and "neutral," but soon after such a government was installed the Communists would almost certainly call upon their familiar reservoir of tactics to attempt to subvert that government.

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D. Bloc Reactions to US Military Intervention in Laos

10. If, in the absence of a firm Geneva Conference agreement on the future of Laos, US forces were introduced into Laos to keep the key Mekong River towns from falling to PL/KL military-subversive encroachment, the Bloc reaction would be strong. There would be an intense political and propaganda campaign, in the UN and world-wide, to brand the US an "aggressor." Additional DRV forces would be clandestinely introduced in Laos to stiffen PL/KL forces, Communist-directed military operations would probably be intensified throughout the countryside of Laos in an effort to restrict RLG-US control of Laos to the Mekong towns, US supply and communications lines would probably be harrassed, Communist agents would probably attempt terrorist and sabotage activities within the Mekong towns, and it is possible that DRV forces might overtly occupy such towns as Sam Neua and Xieng Khouang.

11. We believe, however, that DRV forces would avoid frontal combat with US forces. We cannot rule out the possibility that the Chinese Communists might introduce troops into Laos, claiming that the US action constituted a threat to China,

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but we consider it more likely that Chinese Communist forces would be committed in strength only in the event that US actions, subsequent to occupation of the Mekong towns, appeared to threaten the Communist stake in Laos.

12. The Bloc response would probably be somewhat more restrained in the event the US occupied the Mekong towns after a Geneva Conference settlement on Laos had been reached. In addition to exerting certain military pressures in Laos, the Communists would play heavily on the adverse world reaction to the US move which would in general almost certainly have resulted, anticipating that Communist and world pressures would cause the US subsequently to withdraw from Laos.

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